

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

79

May 20, 2003

FROM: **MARK H. UFFER**, Director
 Arrowhead Regional Medical Center

SUBJECT: **AGREEMENT WITH VISITING NURSE ASSOCIATION OF THE INLAND COUNTIES**

RECOMMENDATION: Approve an Agreement with Visiting Nurse Association of the Inland Counties (VNAIC) for home-based services for the period May 20, 2003 through June 30, 2006 for a maximum amount of \$90,000 per year with an aggregate amount of not-to-exceed \$277,500.

BACKGROUND INFORMATION: This agenda item recommends approval of a new service agreement, with VNAIC, for the provision of home-based nursing services to patients who have been discharged from the Medical Center and now require home care nursing services.

The Medical Center is responsible for the care provided to the County's Medically Indigent Adult (MIA) residents under the provisions of the Welfare Institutions Code section 17000, et seq. In addition to providing cost effective treatment, home-based services (as prescribed by treating physicians) typically speeds patients' recovery. The services may include oxygen therapy, rehabilitation therapy, intravenous therapy, nursing care services, etc. The type of service and length of use varies with each patient.

On December 3, 2002, the Board of Supervisors authorized the Medical Center to issue a Request for Proposals (RFP) to provide home-based services to the County's MIA patients. The RFP was released and proceeded as scheduled through the vendor selection in January. The Medical Center received proposals from Core Products, Crescent Healthcare, Inc., Gentiva Health Services, Foothill Oxygen Services, Inc., Home Pharmacy of California, Option One Home Medical Equipment, Inc., and Visiting Nurse Association of the Inland Counties.

A multidisciplinary team of Medical Center staff, including Respiratory Care Services, Home Health, Material Management, Ambulatory Administration, and the Hospital Compliance Officer, was selected to conduct the initial review of the RFPs. A recommendation was presented to the Medical Center Administrative team, where the Administrative team concurred with the committee's recommendation and a decision was made to pursue the above agreements for home-based services. The criteria used was not only the cost of the services, but also the proposers' ability to provide the required services and products to patients in a timely and efficient manner.

On February 25, 2003, the Board of Supervisors approved agreements, effective March 1, 2003 through June 30, 2006, with Crescent Healthcare, Inc and Home Pharmacy of California for home-based pharmacy services, and Foothill Oxygen Services, Inc. and Option One Home Medical Equipment for home-based durable medical equipment services. Core Products was not chosen due to their limited amount of respiratory care equipment available.

Page 1 of 2

Record of Action of the Board of Supervisors

79

As a part of the RFP, the Medical Center invited proposals from vendors to supply home-based nursing services. At the time the Medical Center presented agreements to the Board of Supervisors for home-based pharmacy and durable medical equipment services, the staff was still in the process of reviewing the nursing services portion of the RFP. It was the intent of the Medical Center to return to the Board within two months to ask for approval of a nursing care agreement(s).

The Medical Center chose VNAIC and Gentiva Health Services to provide nursing services to discharged patients as prescribed by their physician. VNAIC and Gentiva were the only vendors who responded to this portion of the RFP. Both vendors have ample experience and knowledge of home based nursing services and proposed competitive fee schedules suitable to the Medical Center. The Medical Center is still negotiating contract terms with Gentiva and will return to the Board for approval of the agreement once negotiations have been completed.

By contracting with two vendors for this service, the Medical Center can provide home-based patient care to MIA patients in a timely manner, thereby reducing hospital bed days, enhancing the healing process, and improving patient satisfaction.

REVIEW BY OTHERS: This item has been reviewed by County Counsel (Charles J. Larkin, Deputy County Counsel) on April 23, 2003, and HSS Administration (Beatriz Valdez, Administrative Analyst) on May 7, 2003.

FINANCIAL IMPACT: The total value of this Agreement is not-to-exceed \$277,500. The amount expended with this vendor will vary each month depending on patient discharge volume and the need for home-based services. It is estimated the Medical Center will expend approximately \$7,500 for the remainder of Fiscal Year 2002/03, and approximately \$90,000 for Fiscal Years 2003/04, 2004/05 and 2005/06. Historically, the Medical Center has found that discharging patients to their home and providing them with home-based services, results in a shorter recovery period and is more cost effective to the Medical Center. The amount for these agreements is available in the Medical Center's FY 2002/03 budget and will be included in the final FY 2003/04, FY 2004/05, and FY 2005/06 budgets.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and recommends approval since these services are necessary for the health and safety of the Medical Center's patients. Services provided by these vendors are necessary for the Medical Center to comply with Welfare Institutions Code section 17000, et seq. The Medical Center is responsible for the care provided to the County's Medically Indigent Adult (MIA) residents. A part of the Medical Center's compliance with this requirement is to provide home-based services to those patients discharged from the hospital.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: Mark H. Uffer, Director, Arrowhead Regional Medical Center, 580-6150